LAFAYETTE VISTAS

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REDEVELOPMENT AT THE HALFWAY MARK

It was a dark and stormy night[1]. It was late. And the contentious proposal to create a redevelopment project in Lafayette hung heavy in the air.

It was 11:20 pm on April 25, 1994 when the City Council — having already wrestled with a number of other thorny issues — finally got around to the redevelopment discussion. Skeptical crowd members had sat for hours, waiting to voice their strong opinions.

Finally, when the public hearing opened, a long-time resident stepped to the lectern and urged the Council to scrap the redevelopment plan. He said that if it was revenue the city needed, the Council should instead place a bond measure before the voters for consideration. A local retail expert agreed, saying that a tax increase — not redevelopment — was the responsible thing to do and that he would "resist this plan in any way that I can." Two residents said that eminent domain would decrease their property values. Almost every speaker was flat out opposed to the proposition. Not a single speaker spoke in favor.

VETERANS MEMORIAL BUILDING

Finally, when Mayor Anne Grodin gaveled the public comments to a close at 12:10 am, the entire Council reluctantly agreed that Lafayette wasn't ready for redevelopment. Unwilling to abandon the idea, however, Grodin ended the meeting by stating that the benefits of redevelopment had not "gotten out" and that — instead of scrapping the idea — the City should schedule more "open discussions to resolve these concerns with the people."

Fourteen meetings later, on November 28th, there was more support. Mary Dunne argued that redevelopment could help provide affordable housing for seniors. And, in a key endorsement, Lafayette Homeowners Council president Bill Ramage stated that he appreciated the many ways that the Council had amended the proposal to address residents' concerns, and that the Homeowners' Council would therefore also be supportive. There was still opposition, however, with local businesses and landowners voicing fears about property devaluations and eminent domain. But the tide had turned and, a month later, on December 27th, 1994, the City Council voted unanimously to approve the plan for redevelopment in Lafayette.

What is Redevelopment?

Redevelopment assists local governments in their efforts to eliminate blight and revitalize their communities. Redevelopment encourages new development, creates jobs, and generates tax revenues in downtowns by developing partnerships between local governments and private entities. Specifically, redevelopment is a tool that cities use to increase and capture property tax dollars that would otherwise go to other agencies. No new taxes are levied.

More than 400 California cities and counties have adopted local redevelopment plans, including 15 of the 19 cities in Contra Costa County.

How Does it Work?

The primary financial mechanism behind redevelopment is called "tax increment financing," which is a fancy name for the redistribution of taxes paid by property owners within a project area. In the year a project area is established, the tax base for that area is frozen for all of the agencies funded by that area, (e.g., county, animal control, schools, sanitary district, BART, etc.), including the city itself. Going forward, each of these agencies continues to get the same amount that they have always received, but not more. The incremental tax increases, instead, accrue to the Redevelopment Agency (RDA). Through complex negotiations, some entities such as the local schools can be made whole, and this was done in Lafayette.

Not all redevelopment funding is freely available for use by the RDA, however. In Lafayette's case, ~30% is passed-through to other agencies. Furthermore, according to State law, another 20% of RDA funds must be used to provide affordable housing within the project area. Lafayette identified senior, family, and special needs housing as a priority, and the Town Center apartments were the first project subsidized by the Lafayette Redevelopment Agency (LRDA). Finally, Redevelopment funds can only be used for capital projects in the downtown; they cannot be diverted to pay for neighborhood roads, police services or library maintenance.

[1] We don't actually remember if it was storming that night. We just liked the opening sentence. We do know that it was dark.

(continued inside)

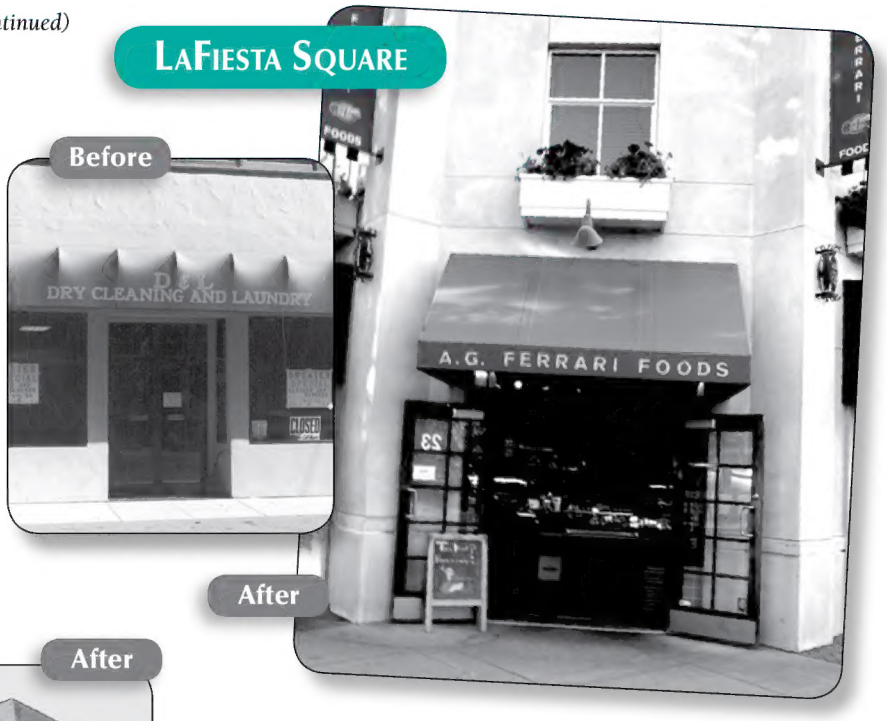
Redevelopment at the Halfway Mark *(continued)*

How has Lafayette Spent its Redevelopment Funding?

The Lafayette Redevelopment Agency has a thirty year life and, over the first fifteen, has used redevelopment funds to stimulate the following projects:

- **Veterans Memorial Building –** The LRDA spent $5M to build the new Veterans Memorial Building at the west end of Mt. Diablo Blvd. This project has been well-received by the community, and garnered State and national recognition as one of the most important new projects to benefit America's veterans.
- **LaFiesta Square –** The LRDA partnered with the Cortese Development Co. for the rehabilitation of LaFiesta Square, by paying more than $100,000 for the rebuilding of Lafayette Circle.

LaFiesta Square



Lafayette Town Center

- **Lafayette Town Center –** The LRDA worked with the developers of Lafayette Town Center to get that project, now featuring Pizza Antica and Panda Express, off the ground. By committing $400,000 to pay for public improvements and another $400,000 for housing for people with disabilities, the LRDA stimulated more than $20M in private development and, in so doing, launched phases I (retail) and II (apartments) of the Town Center development.

Lafayette Mercantile

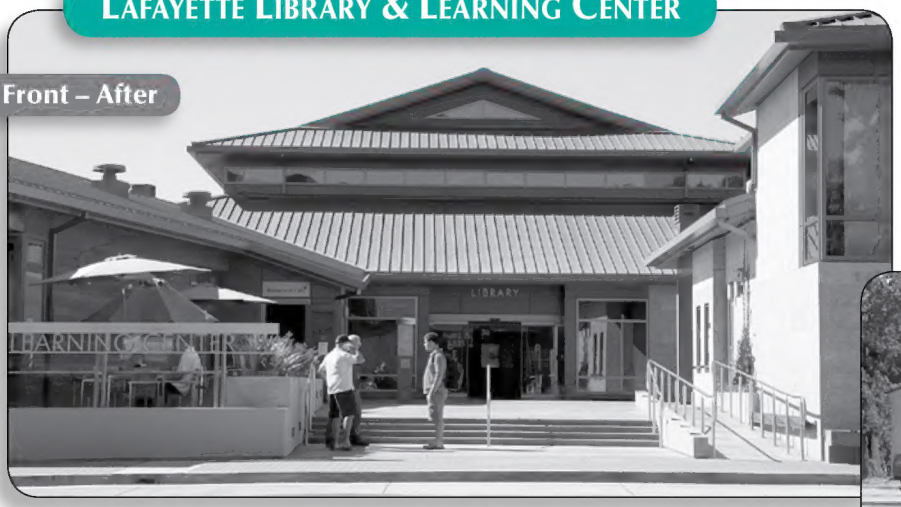
- **Lafayette Mercantile –** The LRDA helped finance the construction of this mixed use project, now housing Yankee Pier restaurant and Powell's Sweet Shoppe, by providing a $125,000 incentive to the developer to offset the cost of the new traffic signal.

- **Lafayette Plaza –** To preserve the City's history and beautify the City's busiest intersection, the LRDA spent about $800,000 to rebuild Lafayette Plaza. Now the site of the City's annual Rock the Plaza music festival and weekly Farmer's Market, the plaza has also become the City's most important public gathering place. It is a favored site for political rallies, and was the site of the September 11th Candlelight Vigil, where more than 2,000 people gathered to remember the victims of those terrorist attacks.

Lafayette Plaza

- **Lafayette Library and Learning Center –** Most recently, LRDA has focused all of its energies and funds to build the new Lafayette Library and Learning Center. This spectacular $46M facility has already staked out its place as the community's intellectual heart, serving as host to speakers from the Commonwealth Club, the Oakland Zoo, the California Shakespeare Festival, and many members of the Glenn Seaborg Learning Consortium.

Lafayette Library & Learning Center



What's Next?

The Lafayette Redevelopment Agency, having spent all of its accumulated monies on the Library, will take a break from the action for the next two years to let the bank accounts replenish. During this time, the Planning Commission and City Council will work with the community to iron out the many complicated and controversial issues surrounding the draft Downtown Specific Plan (DSP). The City has already held 80 public meetings on the DSP but, like the original redevelopment project, it will require a few more meetings and amendments before it is accepted by the public.

When it is finally complete, the DSP project list will likely call for new landscaped medians in the east end of town, walkway improvements, downtown parks, and affordable housing projects. This project list will serve as the template and strategic plan for redevelopment — guiding the final fifteen years in the life of the Lafayette Redevelopment Project.

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Council Defers Charter City / Transfer Tax Issue

Over the past several months, we have taken time to talk with residents and the community about the City's funding challenges for roads, open space, youth and senior services and public safety — all services that can't be funded by the LRDA. We had the opportunity to discuss these issues at City Council meetings and listen to the community's feedback through surveys by phone, mail and online. We appreciate your participation in this process and value the feedback that you shared.

We reviewed many options for providing stable local funding for municipal services. One option we considered was placing two measures on the November ballot — a property transfer tax measure, which would have increased a current tax that is paid only when property is sold, and a charter amendment, which would have enabled the implementation of a property transfer tax and enhanced Lafayette's local control and independence from Sacramento.

However, given significant confusion and concern about the proposals, the Lafayette City Council chose to table the matter indefinitely. It's hard, probably even impossible, to win a tax measure that you can't describe in a simple paragraph or two. Voters are naturally suspicious of new levies — rightfully so, given the current state of the economy — and so any tax proposal must not only be fair and reasonable, but also easy to explain if it is to stand a chance of winning. The fact that a property transfer tax would have required Lafayette to first adopt a charter pretty much made that task impossible. Furthermore, with the economy still in the doldrums, this November does not seem to be the right time to place a local tax measure before voters. While we recognize the need for local funding, we also recognize that Lafayette residents are not immune to the economic downturn. Families are struggling with their own budgets and attempting to do just what we are — cut expenses and ensure every penny is spent efficiently.

Our funding challenges, however, continue. Nearly 1 in 5 of our roads is categorized as "failing" and, even though over 40% of the city's budget goes towards police protection, we still have the lowest police staffing levels per capita of any city in the County. The State, facing its own budget deficit, has taken away funding that normally goes to cities. Last year, the State stripped $1.6 million from Lafayette, and we expect that this theft will be ongoing. Local revenue from sales taxes, hotel taxes, and property taxes have also declined in recent years.

The City has a few options for generating additional local revenue to protect city programs. Nearby cities are considering new sales taxes, utility users taxes, and parcel taxes. But, in order for any of these measures to be put in place, they need to be approved by voters — the sales and utility taxes require a simple majority vote, while the parcel tax requires 2/3.

And so, for now, we will do what we have always done — evaluate our service priorities, ensure that all programs are operating efficiently, and make those difficult decisions about which services will be funded and which services we must do without.

For more information on the results of the City-wide survey, please visit our website **www.lovelafayette.org.**

City Directory

For Council Members call: **284-1968**

Council Members

Brandt Andersson	**Mayor**
Carl Anduri	**Vice Mayor**
Mike Anderson	**Council Member**
Carol Federighi	**Council Member**
Don Tatzin	**Council Member**

Messages to **all** Council Members:
cityhall@lovelafayette.org

Administration

General Reception and	**284-1968**
Steven Falk, City Manager	**Fax: 284-3169**
Tracy Robinson, Admin. Srv. Dir.	**299-3227**
Gonzalo Silva, Financial Srv. Mgr.	**299-3213**
Joanne Robbins, City Clerk	**299-3210**

Community Development

Ann Merideth, Director	**299-3218**
Tony Coe, Engineering Srv. Mgr.	**284-1951**
Niroop Srivatsa, Planning Srv. Mgr.	**284-1976**
Ron Lefler, Public Works Srv. Mgr.	**299-3214**
P.W. Hotline (to report problems)	**299-3259**

If you observe illegal dumping in creeks & storm drains or accidental spills on roads, call Contra Costa Hazardous Materials Division 646-2286.

Lamorinda School Bus Program

Juliet Hansen, Program Mgr.	**299-3216**
	Or 299-3215

Parks, Trails and Recreation **284-2232**

Jennifer Russell, Director	
Senior Services	**284-5050**

Police Services

Emergency: 24 Hours	**911**
Police Dispatch: 24 Hours	**284-5010**
Police Business Office:	**283-3680**

Anonymous Tipline, Traffic Enforcement, Suggestions & LEARN (Laf. Emergency Action Response Network), 299-3232 X 2205

Fax	**284-3169**
Address	**3675 Mt. Diablo Blvd. #210, Lafayette, CA 94549**
Website	**www.ci.lafayette.ca.us**

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